

**MONTHLY OPERATING REPORT FOR
CORPORATE OR PARTNERSHIP DEBTOR
(Including LLCs and LLPs)**

Case No. 14-34642-tmb11Debtor Fagerdala USA - Lompoc, Inc.Report Month/Year September 2014

Instructions: The debtor's monthly financial report shall include this cover sheet signed by the debtor and all UST forms and supporting documents. Exceptions, if allowed, are noted in the checklist below. Failure to comply with the reporting requirements of Local Bankruptcy Rule 2015-1(b) and 2015-2, or the U.S. Trustee's reporting requirements, is cause for conversion or dismissal of the case.

The debtor submits the following with this monthly financial report:		Completed	Not Applicable
UST-11	Comparative Income Statement or debtor's income statement (must include all line items specified on UST-11).	<input checked="" type="checkbox"/>	<input type="checkbox"/>
UST-12	Comparative Balance Sheet or debtor's balance sheet (must include all line items specified on UST-12. The debtor's balance sheet, if used, shall include a breakdown of pre- and post-petition liabilities. The breakdown may be provided as a separate attachment to the debtor's balance sheet.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
UST-13	Comparative Cash Flow Statement or debtor's cash flow statement (must include all line items specified on UST-13). Complete this statement if the debtor is reporting based on the accrual basis of accounting. This is the required method, unless other arrangements have been made with the U.S. Trustee.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
UST-14	Summary of Disbursements	<input checked="" type="checkbox"/>	<input type="checkbox"/>
UST-14A	Statement of Cash Receipts and Disbursements Complete one or more to include all bank accounts or other sources of debtor funds. Attach copies of monthly bank statements and all supporting documents described in the instructions.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
UST-14B	Additional Disbursement Information	<input type="checkbox"/>	<input checked="" type="checkbox"/>
UST-15	Statement of Aged Receivables Provide a detailed accounting of aged receivables on, or as an attachment to, UST-15.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
UST-16	Statement of Aged Post-Petition Payables Provide a detailed accounting of aged post-petition payables on, or as an attachment to, UST-16.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
UST-17	Statement of Operations When applicable, UST-17 shall include copies of supporting documents such as an escrow statement for the sale of real property, an auctioneer's report for property sold at auction, or a certificate of insurance or copy of debtor's bond for any change in insurance or bond coverage.	<input type="checkbox"/>	<input checked="" type="checkbox"/>

DEBTOR'S CERTIFICATION

I certify under penalty of perjury that (1) I have personally prepared this financial report or directly supervised its preparation, and (2) the information contained in this monthly financial report is complete, true, and accurate to the best of my knowledge, information, and belief.

BY: [Signature]DATE: 10-21-14TITLE: President

The debtor, or trustee, if appointed, must sign the monthly financial report. Only an authorized officer may sign a financial report for a corporate debtor and only a general partner has authority to sign a financial report for a partnership debtor. Debtor's counsel may not sign a financial report for the debtor.

Case Number: 14-34642-tmb11
 Report Mo/Yr: September 2014

Debtor: Fagerdala USA - Lompoc, Inc.

UST-11, COMPARATIVE INCOME STATEMENT

INSTRUCTIONS: The initial report should include only business activity commencing from the petition date through the end of the month.

SEE ATTACHED

For the Month of:	MO/YR 08/14	MO/YR	MO/YR	Cumulative To Date
Revenue	-			-
Less: Returns and Allowances				-
NET REVENUE	-	-	-	-
Cost of Goods sold:				
Beginning Inventory				-
Add: Purchases				-
Less: Ending Inventory				-
Cost of Goods Sold	-	-	-	-
Additional Costs of Good Sold:				
Direct Labor				-
Freight In				-
TOTAL COST OF GOOD SOLD	-	-	-	-
Other Operating Expenses:				
Officers' Salaries (Gross)				-
Other Salaries (Gross)				-
Depreciation and Amortization				-
Employee Benefits				-
Payroll Taxes (Employer's portion)				-
Insurance				-
Rent				-
General and Administrative				-
TOTAL OPERATING EXPENSES	-	-	-	-
NET OPERATING INCOME (LOSS)	-	-	-	-
Add: Other Income				-
Less: Interest Expense				-
Less: Non-recurring items				
Professional Fees				-
UST Fees				-
Other (specify)				-
TOTAL NON-RECURRING ITEMS	-	-	-	-
GAIN (LOSS) ON DISPOSAL OF ASSETS				-
NET INCOME (LOSS) BEFORE INCOME TAX	-	-	-	-
Income Taxes				-
NET INCOME (LOSS)	-	-	-	-

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Accrual Basis

Fagerdala USA - Lompoc, Inc.
Profit & Loss
August 14 through September 30, 2014

	Aug 14 - 31, 14	Sep 14	TOTAL
Ordinary Income/Expense			
Income			
4005-00 · Rent Income	0.00	41,786.11	41,786.11
Total Income	0.00	41,786.11	41,786.11
Gross Profit	0.00	41,786.11	41,786.11
Expense			
6525-00 · Supplies	0.00	134.85	134.85
6651-00 · Property Tax			
6650-01 · Property Tax Expense	5,218.90	9,209.82	14,428.72
Total 6651-00 · Property Tax	5,218.90	9,209.82	14,428.72
7601-00 · Interest			
7601-01 · Interest - Pacific Western Bank	6,743.43	11,910.17	18,653.60
Total 7601-00 · Interest	6,743.43	11,910.17	18,653.60
Total Expense	11,962.33	21,254.84	33,217.17
Net Ordinary Income	-11,962.33	20,531.27	8,568.94
Other Income/Expense			
Other Expense			
7851-00 · Bank Charges	7.50	250.00	257.50
Total Other Expense	7.50	250.00	257.50
Net Other Income	-7.50	-250.00	-257.50
Net Income	-11,969.83	20,281.27	8,311.44

Case Number: 14-34642-tmbll
 Report Mo/Yr: September 2014

Debtor: Fagerdala USA - Lompoc, Inc.
 see attached

UST-12, COMPARATIVE BALANCE SHEET

ASSETS	As of month ending:	MO/YR	MO/YR	MO/YR	PER SCHEDULES (i.e. Petition Date)
Current Assets					
Cash-Restricted					
Cash-Unrestricted					
TOTAL CASH		-	-	-	-
Accounts Receivable					
Less: Allowance for Doubtful Accounts					
NET ACCOUNTS RECEIVABLE		-	-	-	-
Notes Receivable					
Insider Receivables					
Inventory (see note below)					
Prepaid Expenses					
Other (attach list)					
TOTAL CURRENT ASSETS		-	-	-	-
Fixed Assets					
Real Property/Buildings					
Equipment					
Accumulated Depreciation					
NET FIXED ASSETS		-	-	-	-
Other Assets (attach list)					
TOTAL ASSETS		-	-	-	-
LIABILITIES					
Post-Petition Liabilities					
Trade Accounts Payable					
Taxes Payable					
Accrued Professional Fees					
Notes Payable					
Rents and Lease payables					
Accrued Interest					
Other (specify)					
TOTAL POST-PETITION LIABILITIES		-	-	-	
Pre-Petition Liabilities					
Secured Debt					
Priority Debt					
Unsecured Debt					
Other (attach list)					
TOTAL PRE-PETITION LIABILITIES		-	-	-	-
TOTAL LIABILITIES		-	-	-	-

Method of inventory valuation (Cost, Lower of Cost or Market, FIFO, LIFO, Other) : _____

Case Number: 14-34642-tmb11
 Report Mo/Yr: September 2014

Debtor: Fagerdala USA - Lompoc, Inc.

UST-12, COMPARATIVE BALANCE SHEET

see attached

EQUITY	As of month ending:	MO/YR	MO/YR	MO/YR	PER SCHEDULES (i.e. Petition Date)
Owners' Equity (or Deficit)					
Prepetition Owners' Equity					
Post-petition Cumulative Profit or (Loss)					
Direct Charges to Equity (Explain)					
TOTAL OWNERS' EQUITY (DEFICIT)		-	-	-	-
TOTAL LIABILITIES AND OWNERS'					
EQUITY(DEFICIT)		-	-	-	-

FOOTNOTES TO BALANCE SHEET:

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Accrual Basis

Fagerdala USA - Lompoc, Inc.**Balance Sheet****As of September 30, 2014**

	<u>Aug 31, 14</u>	<u>Sep 30, 14</u>
ASSETS		
Current Assets		
Checking/Savings		
1001-00 · Operating Account - First State	4.92	0.00
1004-00 · BK KeyBank	0.00	41,656.18
Total Checking/Savings	<u>4.92</u>	<u>41,656.18</u>
Total Current Assets	4.92	41,656.18
Fixed Assets		
1504-00 · Buildings	4,945,615.03	4,945,615.03
1508-00 · Land	1,400,000.00	1,400,000.00
1604-00 · Acc Depr - Building	-1,024,643.97	-1,024,643.97
Total Fixed Assets	<u>5,320,971.06</u>	<u>5,320,971.06</u>
TOTAL ASSETS	<u>5,320,975.98</u>	<u>5,362,627.24</u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2001-01 · Accounts Payable	258,502.28	258,502.28
Total Accounts Payable	<u>258,502.28</u>	<u>258,502.28</u>
Other Current Liabilities		
2106-00 · Accrued RE Tax	5,218.90	14,428.72
2109-01 · Accrued Interest - PWB	6,743.43	18,653.60
Total Other Current Liabilities	<u>11,962.33</u>	<u>33,082.32</u>
Total Current Liabilities	270,464.61	291,584.60
Long Term Liabilities		
2301-00 · Note Payables - Maxwell		
2302-00 · old Fagerdala, USA taken by MM	8,076,258.28	8,076,258.28
2310-00 · pay Maxwell Morgan	-24,774.25	-24,524.25
Total 2301-00 · Note Payables - Maxwell	<u>8,051,484.03</u>	<u>8,051,734.03</u>
2317-00 · Note Payable - PWB	3,154,365.44	3,154,365.44
Total Long Term Liabilities	<u>11,205,849.47</u>	<u>11,206,099.47</u>
Total Liabilities	11,476,314.08	11,497,684.07
Equity		
3000-00 · Opening Balance Equity	75,128.48	75,128.48
3001-00 · Capital Stock	5,000.00	5,000.00
3002-00 · Additional Paid in Capital	1,882,932.99	1,882,932.99
3101-00 · Retained Earnings	-8,212,328.38	-8,212,328.38
Net Income	93,928.81	114,210.08
Total Equity	<u>-6,155,338.10</u>	<u>-6,135,056.83</u>
TOTAL LIABILITIES & EQUITY	<u>5,320,975.98</u>	<u>5,362,627.24</u>

Case Number: 14-34642-tmbll
 Report Mo/Yr: September 2014

Debtor: Fagerdala USA - Lompoc, Inc.
 see attached

UST-13, COMPARATIVE CASH FLOW STATEMENT

As of month ending:	MO/YR 08/14	MO/YR	MO/YR	Cumulative Filing to Date
NET INCOME (LOSS)	-			
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH:				
Depreciation and Amortization				
(Gain) Loss on Sale of Assets				
(Increase) Decrease in Prepaids				
(Increase) Decrease in Receivables				
(Increase) Decrease in Inventory				
Increase (Decrease) in Payables				
Increase (Decrease) in Taxes Payable				
Increase (Decrease) in Professional Fees				
Increase (Decrease) in Rents/Leases Pay				
Increase (Decrease) in Accrued Interest				
NET CASH PROVIDED BY OPERATIONS	-			
CASH FLOWS FROM INVESTING/FINANCING:				
Purchase of Fixed Assets				
Proceeds from Sale of Fixed Assets				
Capital Contributions				
Loan Proceeds				
Loan Principal and Capital Lease Payments				
NET INCREASE (DECREASE) IN CASH	-			
BEGINNING CASH	-	-	-	
ENDING CASH				

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Fagerdala USA - Lompoc, Inc.**Statement of Cash Flows****August 14 - 31, 2014**

	<u>Aug 14 - 31, 14</u>
OPERATING ACTIVITIES	
Net Income	-11,969.83
Adjustments to reconcile Net Income to net cash provided by operations:	
2106-00 · Accrued RE Tax	5,218.90
2109-01 · Accrued Interest - PWB	6,743.43
Net cash provided by Operating Activities	<u>-7.50</u>
Net cash increase for period	-7.50
Cash at beginning of period	<u>12.42</u>
Cash at end of period	<u><u>4.92</u></u>

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Fagerdala USA - Lompoc, Inc.
Statement of Cash Flows
September 2014

	<u>Sep 14</u>
OPERATING ACTIVITIES	
Net Income	20,281.27
Adjustments to reconcile Net Income to net cash provided by operations:	
2106-00 · Accrued RE Tax	9,209.82
2109-01 · Accrued Interest - PWB	11,910.17
Net cash provided by Operating Activities	41,401.26
FINANCING ACTIVITIES	
2301-00 · Note Payables - Maxwell:2310-00 · pay Maxwell Mo...	250.00
Net cash provided by Financing Activities	250.00
Net cash increase for period	41,651.26
Cash at beginning of period	4.92
Cash at end of period	<u>41,656.18</u>

Case Number:	14-34642-tmb11
Report Mo/Yr:	September 2014

Debtor: Fagerdala USA - Lompoc, Inc.

UST-14, SUMMARY OF DISBURSEMENTS

INSTRUCTIONS: BEFORE COMPLETING THIS PAGE, prepare UST-14A (see next page) to include all bank accounts or other sources of the debtor's funds. The disbursement total will be used to complete this SUMMARY OF DISBURSEMENTS.

The debtor is responsible for providing accurate monthly disbursement totals for purposes of calculating its obligation pursuant to 28 U.S.C. § 1930(a)(6) to pay statutory fees to the U.S. Trustee. The disbursement total encompasses all payments made by the debtor during the reporting month, whether made directly by the debtor or by another party for the debtor. It includes checks written and cash payments for inventory and equipment purchases, payroll and related taxes and expenses, other operating costs, and debt reduction. It also includes payments made pursuant to joint check arrangements and those resulting from a sale or liquidation of the debtor's assets. The only transactions normally excluded from the disbursement total are transfers within the same reporting month between multiple debtor accounts.

The U.S. Trustee payment is due on the last day of the month following the end of each calendar quarter, or on **April 30, July 31, October 31, and January 31**, respectively. Because the amount billed is an estimate, the debtor is responsible for paying the correct statutory fee based on actual disbursements for the calendar quarter, or portion thereof while the debtor is in Chapter 11 (i.e. until the case is converted, dismissed, or closed by final decree). Failure to pay statutory fees to the U.S. Trustee is cause for conversion or dismissal of the case. A copy of the statutory fee schedule may be found in the Chapter 11 Guidelines on the U.S. Trustee's website located at:

<http://www.justice.gov/ust/r18/portland/chapter11.htm>
<http://www.justice.gov/ust/r18/eugene/chapter11.htm>

If you have any questions about how to compute the disbursement total, please call the U.S. Trustee's office:

Portland, OR (503) 326-4000
 Eugene, OR (541) 465-6330

(UST-14A, with attachments, should follow this page.)

COMPUTATION OF MONTHLY DISBURSEMENT TOTAL

Total disbursements from UST-14A	\$ -
Cash payments not included in total above (if any)	\$ -
Disbursements made by third parties for the debtor (if any, explain)	\$ -

TOTAL DISBURSEMENTS THIS MONTH FROM ALL SOURCES	\$ -
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	Yes	No
At the end of this reporting month, did the debtor have any <u>delinquent</u> statutory fees owing to the U.S. Trustee?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(If yes, list each quarter that is delinquent and the amount due along with an explanation)

<u>Quarter</u>	<u>Explanation</u>	<u>Amount</u>

Debtor:

Fagerdala USA - Lompoc, Inc.

Case Number:

Report Mo/Yr:

14-34642-tmbll

September 2014

UST-14A - STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

see attached

INSTRUCTIONS: Include all bank accounts or other source of the debtor's funds and attach supporting documents as indicated on the checklist below. Use additional sheets as necessary.

Depository (Bank) Name Account Number Type of Account					TOTALS
Beginning Cash Balance					-
Add:					
Transfers in					-
Receipts deposited					-
Other (identify source)					-
Total Cash Receipts	-	-	-	-	-
Subtract:					
Transfers out					-
Disbursements by check or debit					-
Cash withdrawn					-
Other (identify source)					-
Total Cash Disbursements	-	-	-	-	-
Ending Cash Balance	-	-	-	-	-

Does each account identified above include the following supporting documents, as required: Indicate **YES, NO** or **NOT APPLICABLE** in the boxes below.

Monthly bank statement copy
(do not include bank statement copies
with the report filed with the Bankruptcy
Court)

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Bank reconciliation (including
outstanding checks and deposits in
transit)

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A detailed list of receipts for the account
(deposit log or receipts journal)

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A detailed list of disbursements for the
account (check register or disbursement
journal)

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Funds received and/or
disbursed by another party

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Accrual Basis

Fagerdala USA - Lompoc, Inc.
Transaction Detail by Account
September 2014

Type	Date	Num	Name	Memo	Class	Clr	Split	Amount	Balance
1004-00 · BK KeyBank									
Deposit	09/04/2014		Maxwell Morgan	Initial deposit ...			2310.00 · pay ...	250.00	250.00
Deposit	09/04/2014			Deposit			-SPLIT-	41,536.11	41,786.11
Deposit	09/08/2014		First State	Closed First ...			7851.00 · Ban...	4.92	41,791.03
Check	09/17/2014		Key Bank	Check stock			6525.00 · Sup...	-134.85	41,656.18
Total 1004-00 · BK KeyBank								41,656.18	41,656.18
TOTAL								41,656.18	41,656.18

Case Number: 14-34642-tmb1
 Report Mo/Yr: September 20

Debtor: Fagerdala USA - Lompoc, Inc.

UST-14B, ADDITIONAL DISBURSEMENT INFORMATION

Payments on Pre-Petition Unsecured Debt (requires court approval)

Did the debtor, or another party on behalf of the debtor, make any payments during this reporting month on pre-petition unsecured debt? If "yes", complete table for each payment.

Payee's Name	Nature of Payment	Payment Date	Amount	Date of Court Approval	Yes	No
					<input type="checkbox"/>	<input type="checkbox"/>

Payments to Attorneys and Other Professionals (requires court approval)

Did the debtor, or another party on behalf of the debtor, make any payments during this reporting month to a professional such as an attorney, accountant, realtor, appraiser, auctioneer, business consultant, or other professional person? If "yes", complete table for each payment.

Professional's Name	Type of Work Performed	Payment Date	Amount	Date of Court Approval	Yes	No
					<input type="checkbox"/>	<input type="checkbox"/>

Payments to an Officer, Director, Partner, or Other Insider of the Debtor

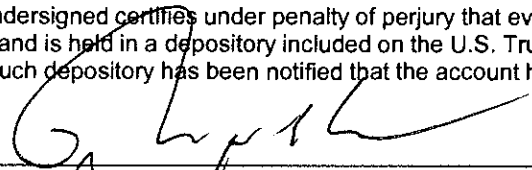
Did the debtor, or another party on behalf of the debtor, make any payments during this reporting month to, or for the benefit of, an officer, director, partner, member, shareholder or other insider of the debtor? If "yes", complete table for each payment.

Payee's Name	Relationship to Debtor	Payment Date	Amount	Purpose of Payment	Yes	No
					<input type="checkbox"/>	<input type="checkbox"/>

INSTRUCTIONS: Use the last column to describe the purpose of each payment, such as gross wages or salary, reimbursement for business expenses, loan repayment, advance, draw, bonus, dividend, stock distribution, or other reason for the payment.

CERTIFICATION OF BANK ACCOUNTS:

The undersigned certifies under penalty of perjury that every financial account used by the debtor is accounted for in UST-14A of this report and is held in a depository included on the U.S. Trustee's list of authorized depositories. The undersigned further certifies that each such depository has been notified that the account holder is a debtor in a Chapter 11 case under the jurisdiction of the Bankruptcy Court.

BY: 

DATE: 10-21-14

TITLE: President

Case Number: 14-34642-tmb11
 Report Mo/Yr: September 2014

Debtor: Fagerdala USA - Lompoc, Inc.

UST-15, STATEMENT OF AGED RECEIVABLES

INSTRUCTIONS: Complete all portions of UST-15, STATEMENT OF AGED RECEIVABLES, unless the debtor asserts the following two statements are true for this reporting month:

- ° At the beginning of the reporting month, the debtor did not have any uncollected pre-petition or post-petition accounts receivable; and,
- ° During the reporting month, the debtor did not have any receivables activity, including the accrual of new accounts receivable, or the collection or write-off of accounts receivable from prior months.

Initial here _____ if the debtor asserts that both statements above are correct and then skip to UST-16, Statement of Post-Petition Payables.

Accounts Receivable Aging

	Balance at Month End	Current Portion	Past Due 31-60 days	Past Due 61-90 days	Past Due over 90 days	Uncollectible Receivables
Pre-petition						
Post-petition						
TOTALS	-	-	-	-	-	-

Explain what efforts the debtor has made during the reporting period to collect receivables over 60 days past due.

Accounts Receivable Reconciliation

	Post Petition	Pre-Petition	Totals
Opening Balance			-
Add: Sales on account			-
Less: Payments on account			-
Less: Write-offs or other adjustments			-
Closing Balance	-	-	-

Insider Receivable Reconciliation

Insider Name (e.g. officer, director, partner, member, shareholder) Relationship to Debtor			
Opening Balance (if first report, use the balance on date of filing)			
Add: Current month advances			
Less: Current month payments			
Closing Balance	-	-	-

Case Number: 14-34642-tmb11
 Report Mo/Yr: September 2014

Debtor: Fagerdala USA - Lompoc, Inc.

**UST-16, STATEMENT OF AGED POST-PETITION PAYABLES
 PART A - TRADE ACCOUNTS PAYABLE**

INSTRUCTIONS: Complete PART A - TRADE ACCOUNTS PAYABLE unless the debtor asserts that this statement is true for this reporting month:

° Except for taxes disclosed in PART B of this report, the debtor has no other unpaid post-petition payables from the current reporting month or from any prior post-petition months.

Initial here _____ if the debtor asserts that the statement above is correct and then skip to UST-16, Part B, Taxes.

Accounts Payable Aging

	Balance at Month End	Current Portion	Past Due 31-60 days	Past Due 61-90 days	Past Due over 90 days
Post-petition					

1. For Accounts Payable more than 30 days past due, explain why payment has not been made.
2. Attach the debtor's accounts payable aging report.

Post-Petition Trade Accounts Payable Reconciliation

Opening Balance	
Additions:	
Less: Payments made	
Closing Balance	-

Case Number: 14-34642-tmb11
 Report Mo/Yr: September 2014

Debtor: Fagerdala USA - Lompoc, Inc.

**UST-16, BUSINESS STATEMENT OF AGED POST-PETITION PAYABLES
 PART B - TAXES**

CERTIFICATION: The undersigned certifies under penalty of perjury that all post-petition taxes required to be withheld or collected have been paid to the appropriate taxing authority or that a deposit for such amounts has been made into a separate bank tax account as more fully described below.

BY: 

DATE: 10-21-14

Reconciliation of Unpaid Post-Petition Taxes

	1	2	3	4
Type of Tax	Unpaid Post-petition Taxes from Prior Reporting Month	Post-petition Taxes Accrued this Month (New Obligations)	Post-petition Tax Payments Made this Reporting Month	Unpaid Post-petition Taxes at End of Reporting Month (Column 1+2-3=4)
FEDERAL EMPLOYMENT TAXES				
Employee Income Tax Withheld				-
FICA/Medicare-Employee				-
FICA/Medicare-Employer				-
Unemployment (FUTA)				-
STATE EMPLOYMENT TAXES				
Employee Income Tax Withheld				-
Unemployment (SUTA)				-
Worker's Compensation				-
OTHER TAXES				
Corporate Income Tax				-
Local City/County Tax				-
Sales Tax				-
Personal Property Tax				-
Real Property Tax				-
Other				-
Total Unpaid Post-Petition Taxes				\$ N/A -

Is the debtor delinquent in any tax reporting? **If yes**, provide the name of the taxing authority, a description of the report that is past due, the original report due date, any payment due, and the reason for the delinquency.

Case Number: 14-34642-tmb11
 Report Mo/Yr: September 2014

Debtor: Fagerdala USA - Lompoc, Inc.

UST-17 STATEMENT OF OPERATIONS

INSTRUCTIONS: Answer each question fully and attach additional sheets as necessary to provide a complete response

Question 1 - Sale of the Debtor's Assets

Did the debtor, or another party on behalf of the debtor, sell, transfer, or otherwise dispose of any of the debtor's assets during the reporting month that are out of the ordinary course of the debtor's business? If yes, attach a schedule identifying each asset, date of sale notice, method of disposition, and gross and net sale proceeds received. If real property was sold, attach a copy of the closing statement.

Yes No

☐ ☐

Question 2 - Financing

During the reporting month, did the debtor receive any financing, or loans from a non-insider funding source? If yes, indicate the source of the funds, date paid to debtor, dollar amount, and date of court approval.

Source of Funds	Date Paid	Amount	Date of Court Approval	Yes	No
				<input type="checkbox"/>	<input type="checkbox"/>

Question 3 - Insider loans

During the reporting month, did the debtor receive any funds from an officer, director, partner, member, shareholder, or other insider of the debtor? If yes, indicate the source of funds, date paid to debtor, dollar amount, and date of court approval.

Source of Funds	Date Paid	Amount	Date of Court Approval	Yes	No
				<input type="checkbox"/>	<input type="checkbox"/>

Question 4 - Insurance and Bond Coverage

Did the debtor renew or replace any insurance policies during this reporting month? If yes, attach a certificate of insurance for each renewal or change in coverage.

Yes No

☐ ☐

Were any of the debtor's insurance policies canceled or otherwise terminated for any reason during the reporting month? If yes, explain.

☐ ☐

Were any claims made during this reporting month against the debtor's bond? (Answer "No" if the debtor is not required to have a bond). If yes, explain.

☐ ☐

Question 5 - Significant Events.

Provide a narrative report of any significant events that may have an effect on the financial condition of the debtor or any events out of the ordinary course of business that are not described elsewhere in this report. Attach separate sheets as necessary.

UST-17

Case Number: 14-34642-tmb11
 Report Mo/Yr: September 2014

Debtor: Fagerdala USA - Lompoc, Inc.

UST-17, STATEMENT OF OPERATIONS (Continued)

Question 6 - Case Progress. Explain what progress the debtor has made during the reporting month toward confirmation of a plan of reorganization.

We've continued communicating with the primary lender regarding plan confirmation issues and preparing to file the plan on or before November 3, 2014.

	Filed ?	Estimated Date To be Filed If not Filed
Disclosure Statement:	No.	11/03/14
Plan of Reorganization:	No.	11/03/14

WHERE TO FILE A MONTHLY OPERATING REPORT Under Bankruptcy Rule 2015-2 requires the debtor to file its monthly operating report with the U.S. Bankruptcy Court.

File the report: (select only one)

For a Chapter 11 case filed in Portland, OR: For a Chapter 11 case filed in Eugene, OR:

United States Bankruptcy Court
 1001 SW 5th Avenue, 7th Floor
 Portland, OR 97204

United States Bankruptcy Court
 405 East 8th Avenue, Suite 200
 Eugene, OR 97401

CERTIFICATION: The undersigned certifies that copies of this report and supporting documents have been served upon each of the following persons in this case: U.S. Trustee; the chairperson of each official committee of creditors or equity security holders and the attorney(s) for each such committee; the debtor and the debtor's attorney; and the trustee and the trustee's attorney, if applicable.

BY: [Signature]

DATE: 10-21-14

TITLE: President

PHONE NUMBER: 402-312-3331

Send U.S. Trustee's copy to: (select only one)

For a Chapter 11 case filed in Portland, OR:

Office of the United States Trustee
 620 SW Main Street, Suite 213
 Portland, OR 97205

For a Chapter 11 case filed in Eugene, OR:

Office of the United States Trustee
 405 East 8th Avenue, Suite 1100
 Eugene, OR 97401

Douglas R. Pahl, OSB No. 950476
DPahl@perkinscoie.com
PERKINS COIE LLP
1120 N.W. Couch Street, Tenth Floor
Portland, OR 97209-4128
Telephone: 503.727.2000
Facsimile: 503.727.2222

Attorneys for Debtor
Fagerdala USA - Lompoc, Inc.

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF OREGON

In re
FAGERDALA USA - LOMPOC, INC.
Debtor.

Case No. 14-34642-tmb11

Chapter 11

CERTIFICATE OF SERVICE

I, Eunice K. Therrien, declare as follows:

I am a citizen of the United States, over the age of 21 years, and I am not a party to the above-entitled action. I am employed as a legal secretary in the Portland, Oregon office of Perkins Coie LLP. I am competent to be a witness.

I hereby certify, under penalty of perjury, that on the 21st day of October, 2014, I caused true and correct copy of the document(s) listed below to be served on parties listed on Exhibit A, annexed hereto, via U.S. Mail:

- Monthly Operating Report for September 1, 2014 through September 30, 2014.

Portland, Oregon
October 21, 2014

/s/ Eunice K. Therrien

Eunice K. Therrien

Legal Secretary

**EXHIBIT A
SERVICE LIST**

**In re Fagerdala USA - Lompoc, Inc.
USBC District of Oregon Case No. 14-34642-tmb11**

VIA U.S. MAIL

Pacific Western Bank 444 S. Flower St., Suite 1400 Los Angeles, CA 90071	Lawrence Ivanjack Parker, Milliken, Clark, O'Hara & Samuelian, a P.C. 555 South Flower Street, 30th Floor Los Angeles, California 90071 <i>Counsel for Pacific Western Bank</i>
David K. Eldan Parker, Milliken, Clark, O'Hara & Samuelian, a P.C. 555 South Flower Street, 30th Floor Los Angeles, California 90071 <i>Counsel for Pacific Western Bank</i>	County of Santa Barbara Treasurer-Tax Collector P.O. Box 579 Santa Barbara, CA 93102-0579
Maxwell Morgan, LLC 11560 SW 67th Avenue, Suite 200W Portland, OR 97223	Nicholas Henderson Motschenbacher & Blattner LLP 117 SW Taylor Street, Suite 200 Portland, OR 97204-3793 <i>Counsel for Maxwell Morgan, LLC</i>

20 Largest Unsecured Creditors

Lee & Associates 1616 Chapala Street, Suite 1 Santa Barbara, CA 93101	JB Dixon Engineering 200 E. Laurel Ave. Lompoc, CA 93436
Kurtz North America 1779 Pilgrim Road Plymouth, WI 53073	J & L Industrial Supply Box 382070 Pittsburgh, PA 15250-8070
Hydrex Pest Control 101 Cuyama Ln. Nipomo, CA 93444	Elias Enterprises, Inc. 19028 San Jose Ave, Unit F Rowland Heights, CA 91748

Federal Express Freight East Dept LA, PO Box 21415 Pasadena, CA 91185-1415	Culligan Water 700 West Cook St. Santa Maria, CA 93458
Secretary of State-VN Statement of Information Unit POB 944230 Sacramento, CA 94244-2300	DHL Express (USA), Inc. 16592 Collections Center Dr. Chicago, IL 60693
CT Corporation P.O. Box 4349 Carol Stream, IL 60197-4349	API Waste Services P.O. Box 5754 Santa Maria, CA 93456
Bremer Auto Parts 1100 North St. Lompoc, CA 93436	T& S Die Cutting 13301 Alondra Blvd. Santa Fe Springs, CA 90670
McMaster-Carr Supply Co. POB 7690 Chicago, IL 60680-7690	Zalco Industries, Inc. 4309 Amour Ave. Bakersfield, CA 93308-4573
Federal Express P.O. Box 7221 Pasadena, CA 91109-7321	Santa Barbara Public Works P.O. Box 90942 Santa Barbara, CA 93190-0942